

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.,

Debtor.

Case No. 01-01139 (JKF)

Jointly Administered

Chapter 11

Related to Docket Nos. 19581, 19620, 19780, 19787

Objection due by: 10/17/08 @ 4:00 p.m.

Hearing Date: 10/27/08 @ 9:00 p.m.

**ARROWOOD INDEMNITY COMPANY'S JOINDER IN THE OBJECTIONS AND
RESERVATIONS OF RIGHTS OF THE CNA COMPANIES AND THE FIREMAN'S
FUND INSURANCE COMPANIES TO DEBTORS' MOTION FOR AN ORDER
APPROVING DISCLOSURE STATEMENT, SOLICITATION AND CONFIRMATION
PROCEDURES, CONFIRMATION SCHEDULE AND RELATED RELIEF**

Party in interest Arrowood Indemnity Company ("Arrowood"), f/k/a Royal Indemnity Company and located at 3600 Arco Corporate Drive, Charlotte, North Carolina 28273, submits this Joinder in the Objections and Reservation of Rights of the CNA Companies (Dk. No. 19780) and the Fireman's Fund Insurance Companies (Dk. No. 19787) to Debtors' Motion For An Order Approving Disclosure Statement, Solicitation And Confirmation Procedures, Confirmation Schedule and Related Relief.

Arrowood's Insurance Coverage

1) Arrowood is an Asbestos Insurance Entity that sold primary liability insurance and high-level excess umbrella liability insurance to Debtors or one of their predecessors in interest. The primary coverage, which was in force at various times between 1953 and 1963, is the subject of a settlement with Debtors that, inter alia, fully resolved Debtors' claims for asbestos-related coverage under those policies. By virtue of the indemnity and hold harmless

provision of this settlement, Arrowood is a Class 6 creditor of the Debtors with contingent claims for reimbursement, contribution and indemnity.

2) Regarding the high-level excess umbrella liability insurance, which was in force at various times between June 1983 and June 1985, Debtors' claim for coverage under those policies remains unsettled. The Plan contemplates: i) transferring Debtors' rights under these policies—but not their corresponding obligations—to the Asbestos PI Trust and ii) vesting in the Asbestos PI Trust the sole right to recover from those policies any payments made by the Asbestos PI Trust in processing, liquidating, paying and satisfying Asbestos PI Trust Claims. *See* Plan § 7.2

Arrowood's Joinder

- 3) By this submission, Arrowood hereby joins in the following:
- a) Objections and Reservation of Rights of CNA Companies to (A) Motion of the Debtors for an Order Approving Disclosure Statement, Solicitation and Confirmation Procedures, Confirmation Schedule and Related Relief and (B) Debtors' Disclosure Statement for the Joint Plan of Reorganization Dated as of September 19, 2008; and
 - b) Objections and Reservation of Fireman's Fund Insurance Company, Riunione Adriatica di Sicurta and Possibly Other Related Insurance Companies to Debtors' Motion for an Order Approving Disclosure Statement, Solicitation and Confirmation Procedures, Confirmation Schedule and Related Relief.

Arrowood's Reservation of Rights

4) Arrowood expressly reserves, and does not waive, all of its rights, defenses, limitations and/or exclusions in connection with its contractual rights, contractual obligations, applicable law or otherwise. Nothing contained herein, shall be deemed to expand any alleged coverage that may otherwise be available under any insurance policies or any alleged rights to payment under any settlements. Arrowood fully reserves its right to amend, modify or

supplement its objections in response to any modification of the Plan or the Disclosure Statement and in response to the submission of any other party in interest and to adopt any other objections to approval of the Disclosure Statement filed by any other party.

Dated: October 17, 2008
Wilmington, DE

Respectfully submitted,

BIFFERATO GENTILOTTI, LLC

/s/Garvan F. McDaniel

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cc: All counsel of record